CANADIAN HUMAN RIGHTS COMMISSION

Performance Report

For the period ending March 31, 2007

The Honourable Rob Nicholson, P.C., M.P.
Minister of Justice and Attorney General of Canada

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OVERVIEW

Chief Commissioner's Message

In 2006–2007, the Commission completed the implementation of its new service delivery model and demonstrated that the model is working. The three business lines within the model are dispute resolution, discrimination prevention and knowledge development. The Commission supports its service delivery with sound management and accountability.

The new Employer Advisory Council successfully established itself as a collaborative and productive network. Council members share best practices, explore approaches to mutual challenges, and provide the Commission with feedback for continuous process improvement.

The Employment Equity Compliance Program streamlined its audit process. The Program supports the Commission's statutory mandate of improved representation of designated groups in the workforce by informing and supporting employers on meeting their obligations under the *Employment Equity Act,* and by increasing the number of completed audits for all sizes of employers.

The new Knowledge Centre provided policy advice, published a practical guide for employers on how to manage an employee's return to work after an extended leave, and completed research on human rights issues that have been identified by post 9-11 national security concerns.

Increased emphasis on early dispute resolution through mediation and informal dialogue better serves those who contact the Commission about possible discrimination. Positive impacts for everyone affected include savings in time and money, reduced emotional distress, strengthened morale and increased productivity. Overall, client satisfaction with the Commission's services improves.

The Commission continued to advance human rights law for all Canadians by participating in significant human rights cases before the Canadian Human Rights Tribunal and other courts and Tribunals.

The extension of full human rights protection for Aboriginal people is a fundamental commitment. Section 67 of the *Canadian Human Rights Act* withholds some of those rights. The Commission actively advocates its repeal and continues to work closely with stakeholders to build consensus on this issue.

Internationally, the Commission earned a prestigious position – Chair of the United Nations International Coordinating Committee of National Institutions for the Promotion and Protection of Human Rights. This role increases the Commission's contributions and influence in building stronger human rights institutions in other countries and contributing significantly to the new Human Rights Council and its mechanisms.

The Commission supports the integration of human rights in daily practice so that all individuals can make for themselves the lives that they are able and wish to have. To achieve this, the Commission will continue to provide effective options for individuals to raise their concerns and have them addressed, and to enhance respect for human rights through communication, knowledge development and education.

Jennifer Lynch, Q.C.
Chief Commissioner

Management Representation Statement

I submit, for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Canadian Human Rights Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Hélène Goulet
Secretary General

Summary Information

The Canadian Human Rights Commission (the Commission) was established in 1977 to administer the *Canadian Human Rights Act.* The purpose of the Act is to promote equality of opportunity and to protect individuals from discrimination based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability, or conviction for an offence for which a pardon has been granted.

The Commission also has a mandate under the *Employment Equity Act,* which seeks to achieve equality in the workplace and to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities. Both the *Canadian Human Rights Act* and the *Employment Equity Act* apply to federal departments and agencies, Crown corporations and federally regulated private sector organizations.

As of March 31, 2007, the Commission consisted of a Chief Commissioner, one full-time member and three part-time members. Full-time members are appointed for terms not exceeding seven years and part-time members for terms not exceeding three years. The Chief Commissioner is responsible for the operations of the Commission, supported by the Secretary General.

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
$20,965	$22,121	$21,129

Human Resources in Full-time Equivalents (FTEs)

Planned	Actual	Difference
196	180	16

Departmental Priorities

Status on Performance	2006–2007 Planned Spending	2006–2007 Actual Spending

Strategic Outcome: Equality, respect for human rights and protection from discrimination by fostering understanding of, and compliance with, the *Canadian Human Rights Act* and the *Employment Equity Act.*

Alignment with Government of Canada Outcomes: The Commission's strategic outcome aligns to the Government of Canada's strategic outcome of creating "an inclusive society that promotes linguistic duality and diversity."

Priority (type)	Program Activity – Expected Result	Performance Status	Planned Spending ($000)	Actual Spending ($000)
Design and implement a human rights knowledge development program (previously committed)	Foster understanding of, and compliance with, the *Canadian Human Rights Act.* – Increased compliance with the *Canadian Human Rights Act.* Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the *Employment Equity Act.*	Successfully met	3,458	**2,917**
Enhance and expand the prevention program to include more employers/ service providers and other stakeholders (ongoing)	Foster understanding of, and compliance with, the *Canadian Human Rights Act.* – Increased compliance with the *Canadian Human Rights Act.* Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the *Employment Equity Act.*	Successfully met	3,263	**3,567**

Priority (type)	Program Activity – Expected Result	Performance Status	Planned Spending ($000)	Actual Spending ($000)
Continue to provide an effective dispute resolution process (ongoing)	Foster understanding of, and compliance with, the *Canadian Human Rights Act.* – Increased compliance with the *Canadian Human Rights Act.*	Successfully met	7,472	**7,647**
Improve the integration of employment equity audits into other prevention initiatives (ongoing)	Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the *Employment Equity Act.*	Successfully met	2,098	**1,942**

Overall Departmental Performance

Operating Environment

The creation of an inclusive society that promotes diversity and respects human rights is the ultimate goal of the Commission. Our new service delivery model of knowledge development, discrimination prevention and dispute resolution is aimed at distributing the available resources in the most effective way among the different stages of the human rights management continuum. The Commission acknowledges many other redress mechanisms and arbiters of disputes. In order to achieve its goal, the Commission values and nurtures its relationship with employers to help strengthen their policies and procedures to respect and promote human rights in the workplace.

The most commonly cited ground for complaints accepted by the Commission currently is disability. The Commission responds through its prevention activities, including an Employer Advisory Council subcommittee on disabilities; its research activities, which include environmental sensitivities and managing the return to work of employees after an extended absence; and dispute resolution, which provides various dispute resolution mechanisms to deal with disputes when they arise.

Organizational Context

2006–2007 marks further change, gains and consolidation for the Commission.

The Knowledge Centre has been in full operation for a year. Shifting more resources to this area allows the Commission to enhance its policy development capacity, to reach out to, and work with, the research community in Canada to explore challenging human

rights issues facing Canadian society, and to embark on strategic initiatives that address human rights gaps. A major development is the increased focus on Aboriginal human rights, through the creation of a National Aboriginal Initiative based in Winnipeg. One of the initiative's priorities is to respond to the challenge of the anticipated repeal of section 67 of the *Canadian Human Rights Act.*

The Discrimination Prevention Branch has begun to implement its new streamlined employment equity audit process which is expected to simplify the process. Both the Prevention Initiatives and Liaison Program and the Employment Equity Compliance Program now include staff in regional offices, reinforcing the national focus on discrimination prevention.

The Dispute Resolution Branch continues to explore innovative approaches to resolve disputes more quickly to promote healthy workplaces and respect for human rights. The creation of a new unit that combines intake and alternative dispute resolution services allows for less formal approaches to resolving disputes. The Commission also allocates resources to litigation for disputes that cannot be resolved without going to the Canadian Human Rights Tribunal. The Commission's focus on litigation is on matters having the greatest human rights impact.

Significant personnel changes occurred this past year at all levels at the Commission due to two key factors: the need to continuously renew its highly specialized knowledge-based workforce in an aging and competitive market, and the Commission's transition to a new organizational structure. Corollary challenges include managing knowledge transfer and operational continuity. Opportunities include increased motivation and modernization as new employees arrive with new ideas and approaches.

The Commission is committed to sound management in all aspects of its work, particularly with respect to the management of human and financial resources. The Commission has developed a set of reports or "dashboards" of operational performance to provide an early warning system of potential problems and facilitate the development of timely corrective measures when needed.

The Commission's Work and Canada's Performance

The Commission's strategic outcome of "Equality, respect for human rights and protection from discrimination by fostering understanding of, and compliance with, the *Canadian Human Rights Act* and the *Employment Equity Act*" closely aligns with the Government of Canada's strategic outcome of "creating an inclusive society that promotes linguistic duality and diversity." The Commission's activities foster society's understanding of, and commitment toward, these outcomes.

The Government of Canada's indicators to measure the level of performance of the "inclusive society" outcome include: attitudes toward diversity, discrimination and racism, same-sex marriages, and mixed (interracial) unions. The Commission's work includes increasing performance against these indicators.

The following sections focus on the specific priorities outlined in the *2006–2007 Report on Plans and Priorities* (RPP) for the period under review:

PRIORITY 1 Design and implement a human rights knowledge development program

In November 2005, in response to a commitment to design and implement a human rights knowledge development program, the Commission created a Knowledge Centre responsible for research, strategic initiatives and policy development. The Knowledge Centre is also responsible for managing regulatory affairs, including the development of regulations and guidelines. It provides strategic proactive legal advice and studies systemic issues related to human rights matters.

The 2006–2007 fiscal year was the first full year of operations for the Knowledge Centre.

In fulfilment of its commitment in the 2006–2007 RPP, the Commission completed the design of its human rights knowledge development program. It implemented a National Aboriginal Initiative, in part in anticipation of the potential repeal of section 67 of the *Canadian Human Rights Act*; integrated the Strategic Initiatives Division allowing the Knowledge Centre to translate new knowledge into strategic projects designed to advance human rights protection; and ensured that all complaint processing teams had ongoing support from legal and/or policy advisors.

In 2006–2007, the Knowledge Centre initiated several new projects and completed projects started in the previous year. Projects included the development of a legislative approach to the repeal of section 67 of the *Canadian Human Rights Act*; the development and publication of a user-friendly guide for employers to manage the return to work of employees after an extended period on leave; and the publication of *No Alternative – A Review of the Government of Canada's Provision of Alternative Text Formats,* which led to the development of a corrective action plan by the Government of Canada.

PRIORITY 2 Enhance and expand the prevention program to include more employers/ service providers and other stakeholders

In its efforts to increase respect for human rights in workplaces and service delivery areas, the Commission has signed several agreements with major employers. These agreements focus on activities aimed at preventing discrimination in the workplace. In addition to the 10 federally regulated employers that have already signed a Memorandum of Understanding (MOU), the Commission has added three more signatories, raising the total to 13 agreements. The Commission has established an Employer Advisory Council (EAC) to provide a forum for raising, discussing and acting on issues related to preventing discrimination in workplaces and service centres across the country and for sharing of information and best practices. This Council has the strong support of its members and has already provided benefits to lead improvements in workplace cultures that enhance respect for human rights.

PRIORITY 3 Continue to provide an effective dispute resolution process

The Commission committed to:

- focus on the earliest stages of disputes to help parties address incidents of discrimination, using the most appropriate dispute resolution mechanisms;
- enhance the effectiveness of investigations by clarifying key human rights issues, legal principles and other factors the Commission may consider relevant in rendering decisions; and
- continue to implement a litigation strategy that targets the Commission's litigation resources on those cases with the greatest impact on human rights.

The Commission continued its shift toward focus on the earliest stages of the dispute resolution process by combining its intake and alternative dispute resolution services to create a new unit, with a mandate to encourage less formal approaches to resolving disputes. The new model was launched on April 1, 2007, and early results are very promising.

Preliminary assessment was integrated into the Investigations Division and the new investigation report format was fully implemented. The new report format provides the parties and Commissioners with a product that focuses on the legal principles relevant to the case and information on remedies, efforts of the parties to resolve the dispute, as well as how the case serves the public interest.

The Commission's successful litigation strategy continued to foster positive results for the Canadian public in 2006–2007. By focusing its litigation resources on cases with the highest human rights impact, the Commission has influenced the outcome in a number of significant Tribunal and court cases which have advanced human rights law for all Canadians. A description of these decisions can be found in Section II of this report.

The average age of active cases dealt with by the Commission continued to decline, and is now 8.9 months. Moreover, 69% of our caseload is less than one year old and only 5% of cases are two years old or older.

PRIORITY 4 Improve the integration of employment equity audits into other prevention initiatives

In 2006–2007, the Commission developed and started using a new streamlined audit process that focuses on achieving better results toward equality in the workplace. Audit tools were redesigned to facilitate the auditing process for employers. The changes to the audit process will further support discrimination prevention by placing a greater emphasis on demonstrating progress toward a more representative workforce.

The Commission is building on its audit program by providing employers with prevention tools, best practices and information for the continuous improvement of the human rights culture in the workplace.

The new audit approach and its integration into the Discrimination Prevention Branch should contribute to greater representation of the four workforce groups designated in the *Employment Equity Act.* The Commission is participating in the five-year review process on the effectiveness of the *Employment Equity Act,* being conducted by a parliamentary committee. To prepare for this review, the Commission coordinated a number of consultation sessions with stakeholders, including employer associations, union representatives and non-governmental organizations (NGOs).

The Commission's communication outreach strategy includes providing information to employers about the Act's requirements. The Commission's website now has online tools for employers to conduct a self-assessment of their compliance status. This approach encourages employers to identify problems and propose solutions before an audit begins.

Analysis of Program Activities by Strategic Outcome

Analysis by Program Activity

Strategic Outcome

Equality, respect for human rights and protection from discrimination by fostering understanding of, and compliance with, the *Canadian Human Rights Act* and the *Employment Equity Act.*

Program Activity Name

***A. Foster understanding of and compliance with the* Canadian Human Rights Act**

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$18,241	$18,803	$18,658

Human Resources (FTEs)

Planned	Actual	Difference
171	159	12

Program Activity Description

The Commission is engaged in knowledge transfer in Canadian society and internationally, regarding human rights and equality as envisaged by the *Canadian Human Rights Act.* By monitoring trends, identifying issues, and conducting research and studies, the Commission creates knowledge products. Sharing this knowledge and engaging stakeholders in the process promotes understanding of the Act and moves human rights issues forward.

The Commission fosters compliance with the Act by:

- implementing strategies to prevent discrimination;
- managing a comprehensive and effective dispute resolution process that focuses on resolving disputes early; and
- providing recourse for those who believe that their rights, as set out in the Act, have been violated.

During the reporting period, this program activity had three sub-activities to support its goals:

- stakeholder outreach, policy research and development, public inquiries, national human rights institution-building, and human rights impact assessments of government initiatives;
- prevention initiatives and collaborative arrangements within the federal system to promote sound human rights practices in the workplace; and
- integrated processing of individual human rights complaints filed against federally regulated employers and service providers.

Sub-activities

A1 Stakeholder outreach, policy research and development, public inquiries, national human rights institution-building, and human rights impact assessments of government initiatives

Under section 27(1)(b) and (f) of the *Canadian Human Rights Act,* the Commission is mandated to carry out research initiatives. In 2005–2006, the Commission launched the development of its human rights knowledge development program and created the Knowledge Centre to implement it. The research program is action-oriented; it serves to advance human rights in Canadian society and could provide a starting point for debating current social issues. Further, it supports the Commission's development of guidelines, regulations and policies on human rights and employment equity, strategic initiatives and other tools to assist employers' efforts to prevent discrimination.

The 2006–2007 fiscal year was the first full year of operations for the Knowledge Centre. This answered the Commission's RPP commitment to "complete the design of the human rights knowledge development program." The project included:

- finishing the design of the Commission's research program, which included developing procedures and processes for efficient and transparent research contracting; completing most of the organizational and staffing work associated with the creation of the Knowledge Centre; building a database of researchers in human rights, which included more than 90 names as of March 2007; and publicizing the program through visits to universities and research centres and the creation of a human rights research website;
- creating a focus on a National Aboriginal Initiative to develop relations with First Nation and other Aboriginal stakeholders and to respond to the demands anticipated in relation to the potential repeal of section 67 of the *Canadian Human Rights Act*;
- fully integrating the Strategic Initiatives Division, which allows the Knowledge Centre to translate its knowledge-building into projects designed to advance human rights;
- ensuring that all complaint processing teams have ongoing support from legal and/or policy advisors; and
- providing strategic legal advisory services and support to senior management, Commissioners and staff of the Commission.

The Commission, through its Knowledge Centre, also committed to "create knowledge by monitoring trends, identifying issues, conducting research and bringing together experts in the field of human rights, and sharing such knowledge with stakeholders." In support of this RPP commitment, the Commission carried out the following projects:

- **A Guide for Managing the Return to Work.** Based on the report, *Managing the Return to Work: The Human Rights Perspective,* the Commission published a guide for managing the return to work. The guide outlines key legal principles that apply to return-to-work situations; step-by-step procedures to guide an approach to case management; and a series of case studies demonstrating how to deal with different hypothetical scenarios. The guide is available online on the Commission's website.
- **The Medical Perspective on Environmental Sensitivities.** Environmental sensitivities are a group of poorly understood medical conditions that cause people to react adversely to environmental triggers. Approximately 3% of Canadians have been diagnosed with environmental sensitivities and many more are somewhat sensitive to traces of chemicals and/or electromagnetic phenomena in the environment. People experience neurological and numerous other symptoms, and avoidance of triggers is an essential step to regaining health. This report was commissioned to summarize scientific information about environmental sensitivities.
- **Accommodation for Environmental Sensitivities: Legal Perspective.** The Commission engaged researchers to establish the degree of recognition of environmental sensitivities by the courts and, as a result, the degree of protection available from a human rights perspective.
- **Assessing Progress: A Framework for Developing a Human Rights Report Card in Canada.** This document offers a framework for developing a human rights report card for Canada. The framework is based on grounds and relevant dimensions that serve as powerful tools to describe human well-being in Canada. The second phase of the project will assess the feasibility of a human rights report card.
- **Human Rights Issues in National Security: An Inventory of Agency Considerations.** The Commission engaged researchers to examine the extent to which national security agencies and their monitoring entities are directed by legislation to consider human rights issues in fulfilling their obligations and/or have reported on human rights issues in their activities.
- **Gaining Ground: The Role of the Canadian Human Rights Commission in Advancing Sexual Orientation Equality Rights in Canada.** This study examines the Commission's role in advancing sexual orientation equality rights in Canada.

The Knowledge Centre also created an initiative to monitor, record and distribute internally the legal decisions and trends that have an impact on human rights in Canada.

The Commission stated in the RPP that it would "develop policy and regulations resulting from the synthesis of human rights knowledge development." Significant contributions were made by:

- developing a legislative approach to the repeal of section 67 of the *Canadian Human Rights Act,* including a proposed interpretative principle that would preserve the collective rights and interests of Aboriginal peoples, while extending the full protection of the Act that is currently denied to them;
- reviewing the implementation of the *Employment Equity Act* over the past 20 years, developing a submission to be tabled in Parliament when it reviews the Act (likely in 2007–2008), and consulting with key stakeholders on this submission;
- reviewing and revising the Commission's policy on alcohol and drug testing, to include the very latest guidance from the Tribunals and courts on this evolving issue;
- contributing to the development of the United Nations *International Convention on the Rights of Persons with Disabilities,* and supporting its implementation through the International Coordinating Committee of National Human Rights Institutions; and
- monitoring and reporting on legal trends, synthesizing human rights knowledge developed to evaluate priorities in policy and regulatory development, and providing advice and assistance to stakeholders on human rights issues.

In the 2006–2007 RPP, the Commission also committed to "provide advice and assistance to stakeholders on human rights issues." This is done on a day-to-day basis with employers, employees, unions, NGOs and international stakeholders, and represents a significant part of the Knowledge Centre's continuous work. In addition to this ongoing service provided to Canadians, the Knowledge Centre:

- reviewed key internal policies from employers that affect human rights issues, as part of the Commission's Prevention Program, or as part of settlements or Tribunal orders; and
- responded to requests for human rights information from First Nations and other Aboriginal stakeholders, and contributed to discussions on potential repeal of section 67 of the *Canadian Human Rights Act.*

The Commission continued to develop and enhance its website and use it as its primary tool of disseminating information to Canadians about the Commission's work. The website, through which the public can obtain a wide range of information about human rights and the Commission's activities, has become an increasingly important source of information. In 2006–2007, the Commission welcomed more than 1,042,000 visitors on its website, compared with 619,000 in 2005–2006 and 450,000 in 2004–2005. It now has 1,395 subscribers who are notified of new postings, compared with 914 subscribers last year. Requests for research contract proposals are posted on the website, and there

is an online form for qualified individuals wishing to be included in a database of potential researchers for Commission research projects. The Commission also has an online publications order form, making it easier for the public to request Commission publications. The Commission distributed close to 65,000 publications during the year.

The Commission's RPP commitment to "examine and propose action on systemic human rights issues" was achieved by, among other things:

- conducting a second study on telephone access for the deaf and hearing impaired, covering federally regulated private employers, as a follow-up to the previous year's study that dealt with federal departments;
- publishing *No Alternative – A Review of the Government of Canada's Provision of Alternative Text Formats,* which led to the development of a corrective action plan by the Government of Canada;
- participating in B'nai Brith Canada's Third International Symposium on Hate on the Internet in Toronto in September 2006, which brought together participants from the law enforcement, governmental, legal/legislative, industry, educational and community sectors to work toward global, multidisciplinary solutions to the problem of web-based hate and extremism;
- launching the National Aboriginal Initiative, in part to inform discussions by Parliament on potential repeal of section 67 of the *Canadian Human Rights Act,* and to initiate dialogue with stakeholders to develop models that respect the rights and interests of Aboriginal peoples;
- following up with the Canada Border Services Agency on a settlement that deals with the very current issue of racial profiling; and
- working with the Elizabeth Fry Society and Correctional Service Canada to implement the recommendations of the Commission's special report on federally sentenced women.

National Human Rights Institution-Building

In 2006, the Commission initiated a number of consultations with internal, interdepartmental and international stakeholders within the field of international development and human rights advocacy. The purpose was to explore potential areas of collaboration and develop an international strategy focusing in areas where its expertise can be most beneficial internationally and domestically. In January 2007, the Commission adopted a new International Program Strategic Framework, committed to three areas of international focus:

- advancing human rights priorities internationally;
- strengthening human rights institutions in other countries; and
- promoting the domestic implementation of international human rights standards.

CHRC has been a long-standing active member of the United Nations International Coordinating Committee of National Institutions for the Promotion and Protection of Human Rights (ICC). In March 2007, the Commission was elected as the Chair of the ICC. The Commission now begins this three-year term leadership role in bringing together National Human Rights Institutions (NHRIs) from around the world to promote and protect human rights internationally. Through the ICC, the Commission will strengthen human rights institutions, facilitate relationships between various international human rights stakeholders, play a key role in assisting NHRIs at risk, and encourage foreign authorities to create NHRIs where currently none exist.

In addition to being elected to this prestigious position, the Commission led efforts to strengthen the ICC accreditation process, give more prominence to the 1993 United Nations-endorsed Paris Principles Related to the Status of NHRIs, and to give NHRIs both a seat and a strong voice at the table of the newly created UN Human Rights Council.

In October 2006, the work and mandate of the CHRC was reviewed by the ICC. The Commission was granted the accreditation status ***A*** by the ICC. Accordingly, the Commission was deemed fully compliant with the "Paris Principles," a set of international rules providing guidance on the mandate, composition and functioning of independent NHRIs and which were endorsed by the UN General Assembly in 1993. In addition to being internationally recognized as an NHRI, accreditation as a fully Paris Principles-compliant member allows for the participation in UN human rights-related fora.

The ICC structure is divided into four regional groups (Asia-Pacific, Africa, Europe and the Americas). The Network of National Human Rights Institutions of the Americas was created in 2002 under the leadership of the Commission, and includes over 15 NHRIs from Latin America. This year, the Commission continued to play a key role in consolidating the Network and advancing human rights priorities in the hemisphere. The Commission also explored opportunities for establishing similar networks of NHRIs in other parts of the world.

A2 Prevention initiatives and collaborative arrangements within the federal system to promote sound human rights practices in the workplace

In 2006–2007, the Commission continued to realize success with more employers embracing a preventive approach as an important part of their overall human rights strategy. Three more organizations, with a combined workforce of 34,000, signed memoranda of understanding (MOU) in this regard, all sharing a commitment to improve human rights in their workplaces.

The Commission has developed training manuals and is currently updating and revising text on the duty to accommodate and anti-harassment in the workplace and service delivery areas. The Commission is developing human rights training for investigators and a train-the-trainer program.

In October 2006, the Commission hosted a Discrimination Prevention Forum for representatives of federally regulated employers that are signatories to an MOU. The Forum focused on meeting the challenges associated with addressing disability and accommodation in the workplace. Participants also benefited from the full range of programs and services offered by the Commission, including research from the Knowledge Centre.

Employer Advisory Council

In April 2006, the Commission launched an Employer Advisory Council, which provides a forum for raising, discussing and acting on issues related to the prevention of discrimination in workplaces and service centres across Canada to strengthen a culture of respect for human rights. The Council is made up of senior Commission Discrimination Prevention staff and representatives of employers who have signed an MOU with the Commission. The diverse membership of federally regulated employers helps the Commission communicate more widely throughout various sectors on prevention-related matters, best practices, tools and resources. It is anticipated that the membership will continue to grow.

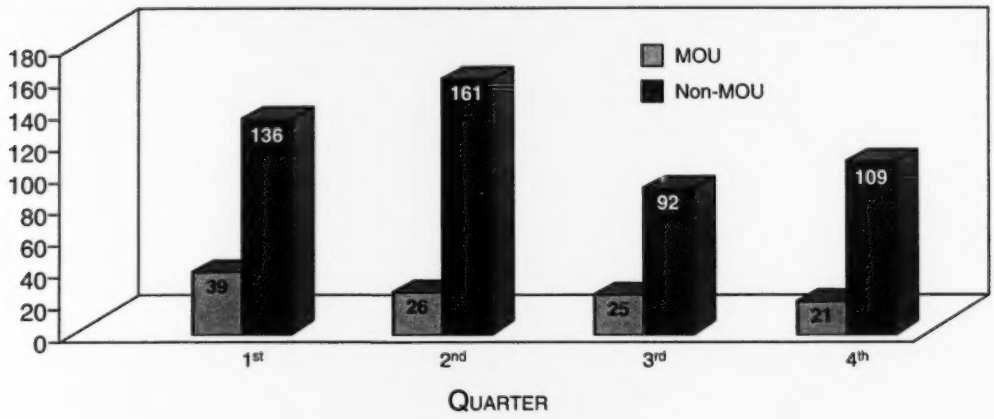
Because employers identified the duty to accommodate as having a significant impact on their organizations, the Council established a subcommittee to undertake a detailed exploration of the issue. The subcommittee is examining challenges and best practices with a view to reducing the number of complaints filed on this ground and encouraging inclusiveness of this group in the workplace. It will report its findings to the Council in 2007.

Demonstrated benefits

The interest shown by employers in working with the Commission to review and share practices and policies that address human rights disputes is an encouraging sign of their ongoing commitment to foster inclusive, respectful workplaces. As the Commission expands its efforts in this area, more tools and resources from employers and the Commission will be shared online, making them easily accessible to all employers, unions and other stakeholders interested in providing a discrimination-free environment and a more inclusive and representative workforce.

The number of complaints against MOU signatories that the Commission accepted decreased over each quarter of the 2006–2007 fiscal year (see chart below). In contrast, the number of accepted complaints against other organizations did not demonstrate a similar decrease. Further examination of the time to resolve an accepted complaint for MOU signatories relative to organizations that have not signed an MOU with the Commission will be conducted in 2007–2008.

FIGURE 1 Number of accepted complaints against MOU and non-MOU organizations in fiscal year 2006–2007



The Commission has played a key role in creating a network of organizations committed to preventing discrimination and improving the culture of human rights in the workplace and in service delivery areas. The Commission plans to expand the network to include more stakeholders across Canada.

A3 Integrated processing of individual human rights complaints filed against federally regulated employers and service providers

In 2006–2007, the Dispute Resolution Branch combined its intake and alternative dispute resolution services to create a new unit, with the mandate of encouraging the use of less formal approaches to resolving disputes. The new unit is the first point of contact for people who believe they have experienced discrimination. It is staffed by senior analysts working in tandem with mediators to help parties look at practical solutions to their concerns and, where appropriate, avoid investigation and litigation. The Dispute Resolution Branch now consists of three divisions: Resolution Services, Investigations and Litigation Services.

The results of the continued improvements are shown in the tables below. The Commission is now processing cases more quickly: the average age of cases is now at 8.9 months compared with last year's average age of 9.1 months, and 69% of the active cases are less than one year old while only 5% are more than two years old.

FIGURE 2 Total Active Caseload by Age Category

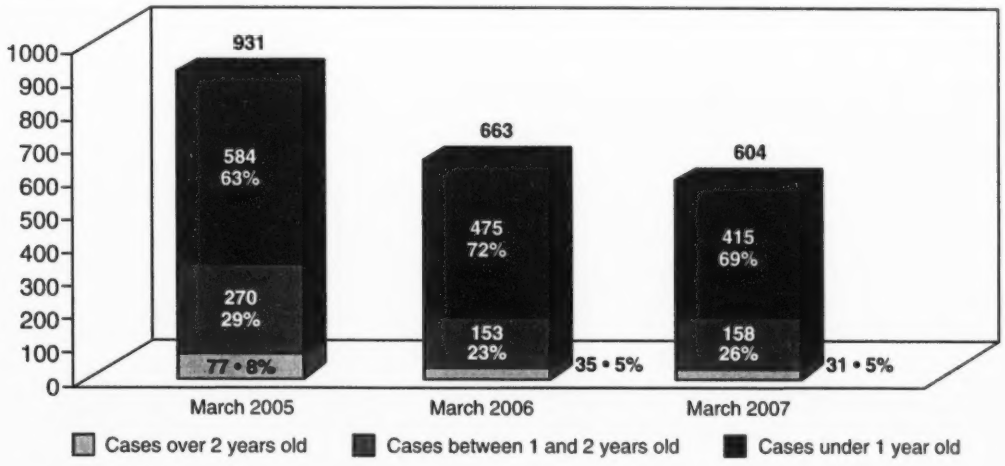
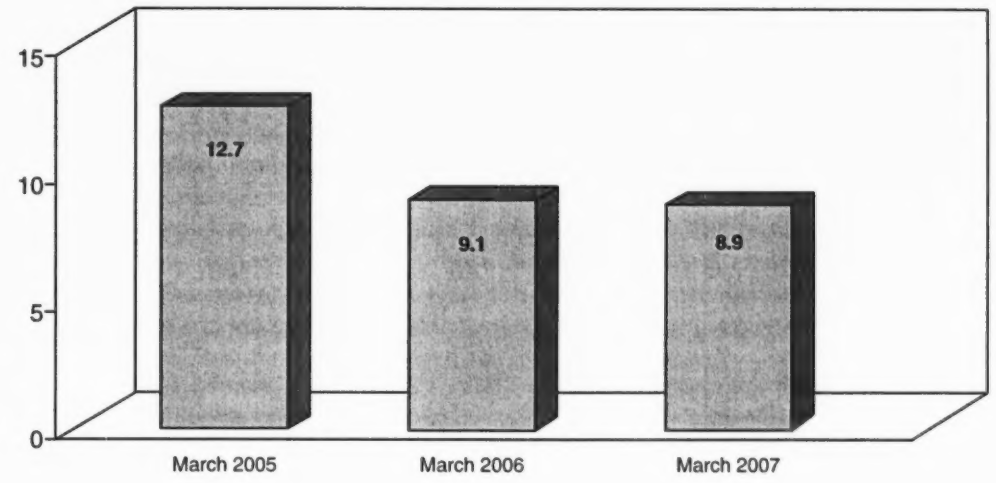


FIGURE 3 Average Age of Cases (in months)



The early resolution process

The new process, introduced early in 2007, allows for resolution of an allegation of discrimination before a formal complaint is filed. When a member of the public contacts the Commission with an allegation of discrimination, staff will determine whether the allegation falls within the Commission's jurisdiction. If it does, the next question is whether

the matter could be dealt with more appropriately and more quickly through some other procedure, such as a grievance or other process, possibly in the inquirer's workplace, which encourages dialogue and resolution of conflicts before a complaint is filed. The Commission supports the efforts of employers and service providers to deal with disputes within their own organizations. Internal processes often have the advantage of being more reflective of the culture and particular circumstances of the organization, and faster.

If no such other process is reasonably available, Commission staff will encourage dialogue between the party that alleges discrimination and the other party. The goal is to help the parties find a solution before a complaint is filed under the Act and the matter escalates, becoming more difficult to resolve and spreading through the organization to affect other people.

In most cases, the Commission uses this approach to seek an early resolution. If both parties are prepared to look at solutions at this stage, the process can be relatively quick. In some cases, discussions may be carried out through a process of shuttle negotiation, often by telephone. In more complex situations, or in those involving more people, one of the Commission's mediators may take over the file and invite the parties to a meeting. This process is called "preventive mediation" to distinguish it from the type of mediation that can take place after a complaint is filed. At the meeting, the mediator will help the parties focus on their interests in an effort to identify options that work for everyone. Everything discussed at the mediation session is confidential and cannot be used in any subsequent procedures.

The results of this new approach are already encouraging. In 2006–2007, the parties in 47 cases agreed to try to resolve their disputes through preventive mediation and 27 cases (57%) were settled this way.

When a situation cannot be resolved early and a complaint is filed with the Commission, the parties may be invited to participate in mediation if it has not already been attempted. This type of mediation (after a complaint is filed) was introduced in 1999 and continues to be successful. In the period under review, the parties in 181 cases agreed to mediation. Of these, 80 were settled which represents a settlement rate of 44%.

If the file remains unsettled, it is turned over to an experienced human rights specialist who determines if the file is suitable for a preliminary assessment or whether it will be referred directly for investigation. The preliminary assessment approach continues to be a highly effective way of dealing with complaints.

The objective of preliminary assessment is to help the parties narrow the facts in dispute, provide information about the types of remedy that could be reasonably expected, and generally set the stage for the most appropriate next step in the process. In some cases,

the assessor's work can result in either a decision to withdraw the complaint or an agreement to enter into mediation. In other cases, the assessor may refer the matter directly to the Commission, bypassing a lengthy investigation. If an investigation is required, guidance is provided on the best way to proceed.

In cases where an investigation is required, the complaints are assigned to Commission teams made up of staff from Investigations and the Knowledge Centre (legal and policy advice). By continuing to dedicate resources to grounds-based, multidisciplinary teams, the Commission can more easily identify the best approach to dealing with a particular complaint. This, in turn, leads to more efficient, timely investigations, or more appropriate and creative solutions. The Commission's investigation caseload was significantly reduced in 2006–2007 from 271 to 234. The Commission also completed the implementation of the modified investigation report format, both internally and with contract investigators, which includes a legal and analytical framework and better focuses on the issues in a complaint.

A separate team investigates complaints of hate on the Internet or transmitted by telephone. These complaints can be linked to any of the 11 grounds of discrimination set out in the *Canadian Human Rights Act*. In 2006–2007, the anti-hate team improved its procedures to deal with this type of complaint more quickly.

If an investigation is completed and the case is sent to the Commission for review, the Commissioners can decide to appoint a conciliator for one last attempt at resolution. The Commission can also decide to refer the matter to the Canadian Human Rights Tribunal for hearings. In these cases, the Tribunal will normally also encourage the parties to settle the matter through mediation.

The Commission's focused litigation strategy allows it to support the parties at pre-Tribunal mediation, while concentrating on vigorously pursuing high-impact, public-interest cases before the Tribunal. The Commission can also intervene in precedent-setting cases before courts and administrative tribunals dealing with human rights issues.

In 2006–2007, the Commission continued to focus its litigation activities on matters having the greatest human rights impact. On a case-by-case basis, the Commission determines the scope and nature of its participation before the Canadian Human Rights Tribunal after assessing such factors as whether the case raises broad policy issues, relates to major policy concerns, or raises new points of law. Above all, the Commission seeks to participate in cases that will advance human rights for all Canadians.

In 2006–2007, a total of 48 cases were resolved via settlements at Tribunal with the assistance of Commission counsel. These cases, which represent 72% of all Tribunal cases completed, resulted in significant and innovative systemic and policy settlements.

Litigation highlights for fiscal year 2006–2007

The Commission participated in the following cases.

Supreme Court cases

- In March 2007, the Supreme Court of Canada rendered its decision in the case of the *Council of Canadians with Disabilities (CCD) v. VIA Rail Canada Inc.,* a case dealing with the accessibility of VIA Rail's new rail cars. The majority ruled in favour of the Canadian Transportation Agency (CTA) decision, which ordered VIA Rail to make its new Renaissance rail cars accessible to persons with disabilities. The dissenting members of the Court would have dismissed the appeal and sent the matter back to the CTA for redetermination. The Commission took a lead role as an intervenor in this matter and successfully argued that human rights norms, and the duty to accommodate in particular, are paramount and must be applied by every decision-maker in dealing with human rights issues.
- In 2006, the Supreme Court issued its decision in *Tranchemontagne et al. v. Ontario (Social Benefits Tribunal).* The Court agreed with the Commission and held that the Social Benefits Tribunal is required to interpret its enabling legislation in a manner consistent with the *Canadian Human Rights Act.*

Federal Court cases

- In *Keith Dreaver et al. v. Jim Pankiw et al.,* the Federal Court agreed with the Commission decision, finding that Members of Parliament are not immune from provisions of the *Canadian Human Rights Act.* It found that the statutory language of the Act is broad enough to encompass statements made by members in householders (newsletters) published and paid for by the House of Commons.
- In *Brooks v. Fisheries and Oceans Canada,* the Federal Court of Canada confirmed that the Canadian Human Rights Tribunal has jurisdiction to award legal costs to a complainant whose complaint is substantiated. This has important implications for complainants who choose to be represented by legal counsel.
- In the *Canadian Human Rights Commission v. Winnicki,* the Federal Court of Appeal upheld a two-and-a-half-month sentence of imprisonment on Mr. Winnicki for being in contempt of an injunction order prohibiting him from posting hate on the Internet.

Tribunal cases

- The Commission participated in the pre-Tribunal settlement of the pay equity complaints filed by the Personnel Administration (PE) group against the National Research Council of Canada resulting in a settlement of the complaint based on the years of service of each PE employee.

- On May 15, 2006, as a result of a mediation process initiated by the Commission, the parties in the long-standing pay equity dispute, *Communications, Energy and Paperworkers Union of Canada (CEP) v. Bell Canada,* reached a settlement. This marked the end of a 14-year-old dispute affecting 4,765 current and former telephone operators.
- In *Buffett v. Canadian Forces,* the Commission argued that the respondent's refusal to grant the complainant funding for a reproductive medical procedure (*in vitro* fertilization or IVF) constituted adverse differential treatment based on his disability and his sex in breach of sections 7 and 10 of the *Canadian Human Rights Act.* The Tribunal found that the Canadian Forces did not offer the same benefit to its male members with infertility problems that it is offering to its female members with infertility problems, and that this constituted a *prima facie* case of adverse differential treatment.
- In 2006, the Tribunal rendered its decision in the case of *Bob Brown v. National Capital Commission,* which deals with the accessibility of a public infrastructure for persons with disabilities. The Tribunal held that it is not reasonable accommodation to force people with mobility impairments to take a detour and that access should be provided as near as possible to the place where it is required.
- Commission counsel participated in *Warman v. Glenn Bahr and Western Canada for Us, Warman v. Craig Harrison,* and *Warman v. Peter Kouba,* where the complaints were substantiated and the Tribunal ordered the respondents to each pay a penalty, which in one case was $10,000. The respondents were also ordered to cease and desist the posting of hate messages over the Internet.

Program Activity Name

B. Employment equity audits in federal and federally regulated workplaces

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$2,724	$3,318	$2,471

Human Resources (FTEs)

Planned	Actual	Difference
25	21	4

Program Activity Description

The requirements of the *Employment Equity Act* are designed to ensure that federally regulated private sector employers with more than 100 employees, Crown corporations, and federal government departments and separate agencies take the necessary steps to identify, correct or eliminate the effects of employment discrimination affecting the four designated groups: women, Aboriginal peoples, persons with disabilities and members of visible minorities. The program has three sub-activities to support its goals:

- ensuring employer compliance with employment equity statutory requirements in the form of an employment equity plan;
- ensuring reasonable efforts and reasonable progress are made toward full representation of the four designated groups in accordance with labour market availability; and
- conducting stakeholder outreach, policy research and development, public inquiries, and employment equity impact assessments of government initiatives.

Sub-activity Description

B1 Ensuring employer compliance with employment equity statutory requirements in the form of an employment equity plan

The Employment Equity Compliance Program requires employers to identify barriers to employment and implement best practices to eliminate gaps in the representation of designated groups. Through the *Employment Equity Act,* the Commission is mandated to conduct audits of the federal public sector and federally regulated private sector workplaces to ensure compliance with the Act.

A new streamlined audit process has been implemented. The implementation phase of this project is expected to be completed by March 2008, at which point the number of audits completed per year is expected to increase. The new approach focuses on achieving better results toward equality in the workplace.

In 2006–2007, the Commission initiated 42 compliance audits. Efforts were focused on assessing the progress of employers previously audited. This approach has enhanced our capacity to evaluate progress being made by employers in increasing representation levels in the workforce. The Commission also completed 13 audit reports. The successful completion of program objectives was affected by staff turnover while substantial efforts were deployed to reinforce capacity through the hiring and training of new team members.

Approximately 41% of the employers covered by the Act have been audited or are currently under audit. This accounts for 77% of the workforce covered by the *Employment Equity Act.*

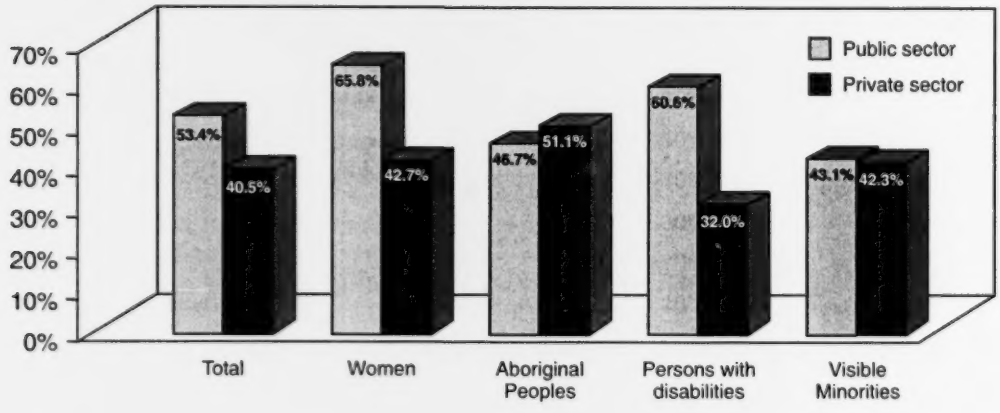
B2 Ensuring reasonable efforts and reasonable progress are made toward full representation of the four designated groups in accordance with labour market availability

In 2006–2007, audit tools were redesigned to ensure that audits are completed within a shorter time frame. The revitalized audit approach, along with greater efforts in disseminating information to employers about the Act's requirements, should contribute to a greater representation of designated groups among employers subject to the *Employment Equity Act*. New performance measures in alignment with the new audit process have been developed.

The Commission monitors progress made by employers in implementing their plans and achieving an equitable workforce. This monitoring includes the achievement of hiring, promotion and representation goals. For the private sector, goals are measured against data that employers submit annually to Human Resources and Social Development Canada. In the public sector, goals are measured against data submitted to the Canada Public Service Agency.

The Commission has completed three years of monitoring progress for approximately 140 employers. Close to 40% of hiring and promotion goals for employers in the private sector and 53% of goals in the public sector were met since the beginning of the program. When compared with results from the previous year, the attainment of goals increased in the private sector for all designated groups. However, in the public sector, overall attainment of goals as well as those for Aboriginal peoples and persons with disabilities was lower when compared with the previous year. The attainment of goals varied by sector and by designated group from a low of 32% for persons with disabilities in the private sector to a high of 66% for women in the public sector in 2006–2007. The private sector was slightly more successful in achieving goals for Aboriginal peoples than the public sector. These results have assisted in the development of corrective actions aimed at increasing representation levels. About 43% of goals for visible minorities by employers in the public sector were met. This was similar to the private sector where 42% of goals for visible minorities were attained.

FIGURE 4 Percentage of Goals Attained Among Employers Found in Initial Compliance



B3 Stakeholder outreach, policy research and development, public inquiries, and employment equity impact assessments of government initiatives

Sharing knowledge with employers on hiring and promotion practices that help ensure equality in the workplace for designated groups is an important part of the Employment Equity Compliance Program.

As the program progresses, the Commission gathers information through the audit process on successful strategies for combating discrimination. This is why the audit program has been incorporated into the Discrimination Prevention Program. The Commission is now able to build on the outcome of its audit program by providing employers with prevention tools, best practices and enhanced information for the continuous improvement of human rights in the workplace.

The Commission is participating in the five-year review process on the effectiveness of the *Employment Equity Act,* being conducted by a parliamentary committee. This review gives the Commission the opportunity to report on its achievements to date and to make a formal submission to the parliamentary committee. To that end, the Commission coordinated a number of consultation sessions with stakeholders, including employer associations and union representatives.

In 2006–2007, the Commission revised the information on its website about employment equity and added new tools such as best practices and guidelines that employers can access online to assess their compliance status. This approach will encourage employers to identify problems and propose solutions before being audited. These proactive measures will contribute to equality in the workplace.

SUPPLEMENTARY INFORMATION

Organizational Information

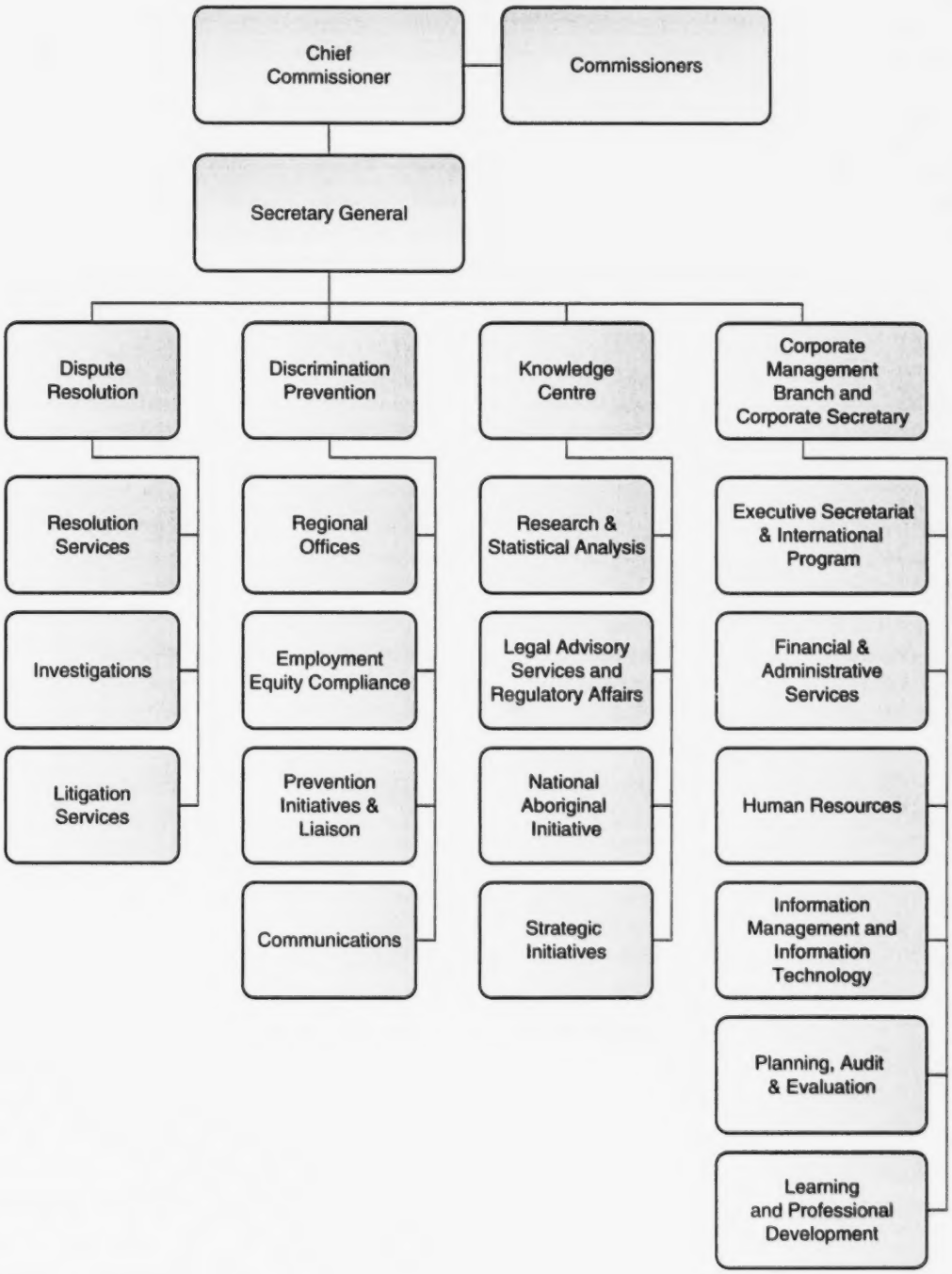


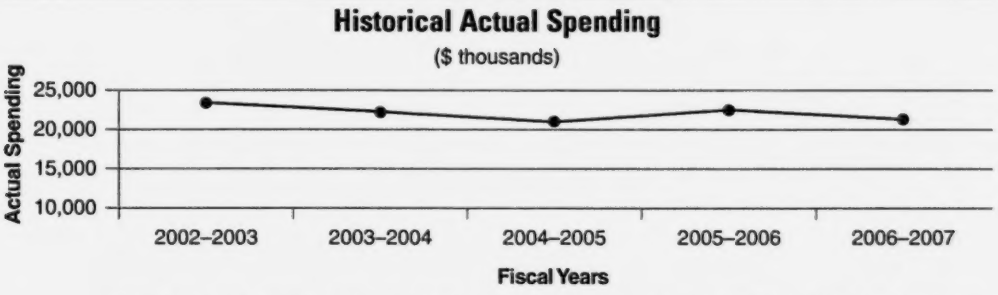
Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

($ thousands)

	2004–2005	2005–2006	2006–2007			
	Actual Spending *	Actual Spending	Main Estimates	Planned Spending **	Total Authorities	Actual Spending
Foster understanding of and compliance with the *Canadian Human Rights Act*	–	19,487	17,945	18,241	18,803	18,658
Employment equity audits in federal and federally regulated work places	–	2,902	3,060	2,724	3,318	2,471
Total	20,941	22,389	21,005	20,965	22,121	21,129
Less: Non-respendable revenue	–	–	N/A	–	N/A	–
Plus: Cost of services received without charge	3,382	3,405	N/A	3,204	N/A	3,261
Total Commission Spending	**24,323**	**25,794**	**N/A**	**24,169**	**N/A**	**24,390**
Full-time equivalents	**192**	**190**	**N/A**	**196**	**N/A**	**180**

* The actual spending figures by program activity for 2004-2005 were not collected by program activity and are therefore not available.

** These figures reflect adjustments made following the November 2005 restructuring.



Note: Total Actual Spending does not include the cost of services received without charge by other departments.

During the past five years, the actual spending of the Commission has fluctuated, reaching a maximum of $23.6 million in 2002–2003. Those fluctuations were mainly due to temporary funding received for the following reasons and which was mostly sunsetted in March 2006:

- to assist the Commission in meeting its responsibilities under the *Canadian Human Rights Act* (permanent funding) and the *Employment Equity Act* (this funding sunsetted in March 2003);
- to participate in the hearings of three major pay equity complaints before the Canadian Human Rights Tribunal (this funding sunsetted in March 2006);
- to fund the development of a new Complaints Management System and Employment Equity Audit Tracking System (this funding sunsets in March 2008);

- to provide resources for the reduction of the complaints backlog, including those related to pay equity (this funding sunsetted in March 2006);
- to support the Commission's Legal Services Division with regards to program integrity pressures (permanent funding); and
- to fund salary increases resulting from collective bargaining agreements and executive salary increases (permanent funding).

Table 2: Resources by Program Activity ($ thousands)

	2006–2007			
	Budgetary			
Program Activity	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Foster understanding of and compliance with the *Canadian Human Rights Act*				
Operating	17,945	18,241	18,803	18,658
Employment equity audits in federal and federally regulated work places				
Operating	3,060	2,724	3,318	2,471
Total Commission	**21,005**	**20,965**	**22,121**	**21,129**

Table 3: Voted and Statutory Items ($ thousands)

		2006–2007			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Actual Spending
10	Program expenditures	18,643	18,603	19,780	18,788
(S)	Contributions to employee benefit plans	2,362	2,362	2,341	2,341
Total Commission		**21,005**	**20,965**	**22,121**	**21,129**

The 2006–2007 Total Authorities represent an increase of approximately of $1.1 million or 5% over the 2006–2007 Total Main Estimates of $21 million. This difference represents funding received through the Supplementary Estimates for 2005–2006 operating budget carry forward and for the salary increases resulting from the collective bargaining agreements.

Table 4: Services Received Without Charge ($ thousands)

	2006–2007
	Actual Spending
Accommodation provided by Public Works and Government Services Canada	2,273
Employer's contribution to the health and dental insurance plans and expenditures paid by Treasury Board of Canada Secretariat	981
Workers' compensation coverage provided by Human Resources and Social Development Canada	6
Salary and associated expenditures of legal services provided by the Department of Justice Canada	1
Total 2006–2007 Services received without charge	**3,261**

Table 5: Resource Requirements by Branch

($ thousands)

	2006–2007		
	Foster understanding of and compliance with the *Canadian Human Rights Act*	**Employment equity audits in federal and federally regulated work places**	**Total**
Executive Offices (1)			
Planned Spending	660	223	883
Actual Spending	792	166	958
Dispute Resolution Branch (2)			
Planned Spending	6,812	–	6,812
Actual Spending	6,855	–	6,855
Discrimination Prevention Branch (3)			
Planned Spending	3,262	1,875	5,137
Actual Spending	3,567	1,698	5,265
Knowledge Center (4)			
Planned Spending *	3,458	–	3,458
Actual Spending	2,917	78	2,995
Corporate Management Branch & Corporate Secretary (5)			
Planned Spending *	4,049	626	4,675
Actual Spending	4,527	529	5,056
Total Commission			
Planned Spending	**18,241**	**2,724**	**20,965**
Actual Spending	**18,658**	**2,471**	**21,129**

* These figures reflect changes made to the organizational chart during the year.

(1) Composed of:
Chief Commissioner's Office
Secretary General's Office

(2) Composed of:
Deputy Secretary General's Office
Pre-Complaint Services Division
Alternative Dispute Resolution Services Division
Investigations Division
Litigation Services Division

(3) Composed of:
- Director General's Office
- Prevention Initiatives and Liaison Division
- Employment Equity Compliance Division
- Communications Division
- Regional Offices (5)

(4) Composed of:
- Director General's Office
- Research and Statistical Analysis Division
- Policy and Regulatory Affairs Division
- Strategic Initiatives Division
- Library Services
- National Aboriginal Initiative Division

(5) Composed of:
- Director General's Office
- Financial and Administrative Services Division
- Planning, Internal Audit and Evaluation Division
- Information Management and Information Technology Division
- Human Resources Division
- Learning and Professional Development Branch
- Executive Secretariat and International Program Division

Table 6: Details on Project Spending ($ thousands)

		2002–2006	2006–2007			
	Current Estimated Total Cost	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Foster understanding of and compliance with the *Canadian Human Rights Act*						
Case management technology project	1,400	954	450	450	–	–

Project phase: Planning of the phase 4 – Implementation of the Case and audit management system has been reprofiled to 2007–2008.

Table 7: Financial Statements

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007, and all information contained in these statements rests with Commission management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Commission's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Commission's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Commission.

The financial statements of the Commission have not been audited.

Jennifer Lynch, Q.C.
Chief Commissioner
Ottawa, Ontario

June 22, 2007

Kathryn Hamilton
Acting Director General, Corporate Management
Ottawa, Ontario

June 22, 2007

Statement of Operations (unaudited)

For the year ended March 31

(in dollars)			2007	2006
	Foster understanding of and compliance with the *Canadian Human Rights Act*	**Employment equity audits in federal and federally regulated work places**	**Total**	Total
Operating Expenses (note 9)				
Salaries, wages and benefits	14,989,294	2,068,839	**17,058,133**	18,414,781
Professional and special services	2,314,908	211,051	**2,525,959**	3,012,018
Rentals	2,167,071	287,369	**2,454,440**	2,497,002
Travel and relocation	576,355	21,378	**597,733**	601,629
Communication	376,020	21,205	**397,225**	416,442
Repairs and maintenance	159,867	10,213	**170,080**	209,068
Utilities, materials and supplies	159,178	9,664	**168,842**	200,842
Information	145,559	8,206	**153,765**	163,738
Equipment expenses	109,096	8,268	**117,364**	264,398
Amortization of tangible capital assets	90,298	13,493	**103,791**	96,855
Loss on write-off of tangible capital assets	3,068	232	**3,300**	–
Claims against the Crown and court awards	2,000	1,000	**3,000**	–
Miscellaneous	1,626	44	**1,670**	486
Total Operating Expenses	21,094,340	2,660,962	**23,755,302**	25,877,259
Revenues				
Gain on disposal of tangible capital assets	3,792	287	**4,079**	–
Miscellaneous revenues	29,585	5,336	**34,921**	344
Total Revenues	33,377	5,623	**39,000**	344
Net Cost of Operations	21,060,963	2,655,339	**23,716,302**	25,876,915

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position (unaudited)

As at March 31

(in dollars)	2007	2006
Assets		
Financial Assets		
Accounts receivable (note 4)	**350,131**	136,229
Advances – petty cash	**2,800**	3,350
Total Financial Assets	**352,931**	139,579
Non-Financial Assets		
Prepaid expenses	**8,065**	–
Tangible capital assets (note 5)	**342,809**	346,619
Total Non-Financial Assets	**350,874**	346,619
Total Assets	**703,805**	486,198
Liabilities		
Accounts payable and accrued liabilities (note 6)	**1,364,916**	2,198,473
Vacation pay and compensatory leave	**708,600**	886,900
Guarantee deposits accounts	**9,000**	–
Employee severance benefits (note 7b)	**3,045,000**	3,280,000
Total Liabilities	**5,127,516**	6,365,373
Equity of Canada	**(4,423,711)**	(5,879,175)
Total Liabilities and Equity of Canada	**703,805**	486,198
Contractual obligations (note 8)		

The accompanying notes are an integral part of these financial statements.

Statement of Equity (unaudited)

For the year ended March 31

(in dollars)	2007	2006
Equity of Canada		
Equity of Canada, beginning of year	**(5,879,175)**	(5,453,181)
Net cost of operations	**(23,716,302)**	(25,876,915)
Current year appropriations used (note 3b)	**21,129,203**	22,388,988
Revenue not available for spending	**(102,477)**	(4,260)
Change in net position in the Consolidated Revenue Fund (note 3c)	**883,640**	(338,407)
Services received without charge from other government departments (note 9)	**3,261,400**	3,404,600
Equity of Canada, end of the year	**(4,423,711)**	**(5,879,175)**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flow (unaudited)

For the year ended March 31

(in dollars)	2007	2006
Operating Activities		
Net Cost of Operations	**23,716,302**	25,876,915
Non-cash items included in Net Cost of Operations:		
Amortization of tangible capital assets (note 5)	**(103,791)**	(96,855)
Loss on write-off of tangible capital assets	**(3,300)**	–
Services received without charge from other government departments (note 9)	**(3,261,400)**	(3,404,600)
Gain on disposal of tangible capital assets	**4,079**	–
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable	**213,902**	(81,973)
Increase (decrease) in advances – petty cash	**(550)**	150
Increase in prepaid expenses	**8,065**	–
Increase in guarantee deposits accounts	**(9,000)**	–
Decrease (increase) in accounts payable and accrued liabilities	**833,557**	(211,207)
Decrease in vacation pay and compensatory leave	**178,300**	96,600
Decrease (increase) in employee severance benefits	**235,000**	(262,500)
Cash Used by Operating Activities	**21,811,164**	21,916,530
Capital Investment Activities		
Acquisitions of tangible capital assets (note 5)	**103,281**	129,791
Proceeds from disposal of tangible capital asset	**(4,079)**	–
Cash Used by Capital Investment Activities	**99,202**	129,791
Net Cash Provided by Government	**21,910,366**	22,046,321

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements (unaudited)

1. Authority and Objective

The Canadian Human Rights Commission was established in 1977 under Schedule II of the *Financial Administration Act* in accordance with the *Canadian Human Rights Act.*

The mandate of the Canadian Human Rights Commission is to discourage and reduce discriminatory practices by dealing with complaints of discrimination on the prohibited grounds in the *Canadian Human Rights Act*; conducting audits of federal departments and agencies and federally regulated private companies to ensure compliance with the *Employment Equity Act*; conducting research and information programs; and working closely with other levels of government, employers, service providers, and community organizations to promote human rights principles.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Commission is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Commission do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net cash provided by government

The Commission operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Commission is deposited to the CRF and all cash disbursements made by the Commission are paid from the CRF. The net cash provided by government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund

Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by the Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the Commission. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

Notes to the Financial Statements (unaudited)

2. Significant Accounting Policies (continued)

(d) Revenues

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses

Expenses are recorded on the accrual basis:

- ✓ Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- ✓ Services received without charge by other government departments for accommodation, employer's contribution to the health and dental insurance plans, worker's compensation coverage and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- ✓ **Pension benefits**

  Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total Commission obligation to the Plan. Current legislation does not require the Commission to make contributions for any actuarial deficiencies of the Plan.

- ✓ **Severance benefits**

  Employees are entitled to severance benefits under collective agreements or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for accounts receivable where recovery is considered uncertain.

2. Significant Accounting Policies (continued)

(h) Tangible capital assets

Tangible capital assets and leasehold improvements having an initial cost greater than $5,000 are recorded at their acquisition cost and are amortized on a straight line basis over their estimated useful lives, as follows:

Tangible capital asset class	Amortization period
Informatics hardware	3 to 5 years
Informatics software	3 to 5 years
Other equipment	1 to 15 years
Motor vehicles	5 years
Leasehold improvements	Over the term of the lease

Amortization of the tangible capital asset commences the month following the asset is put into service.

(i) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The liability for employee severance benefits and the useful life of tangible capital assets are the most significant items where estimates are used. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

Notes to the Financial Statements (unaudited)

3. Parliamentary Appropriations

The Commission receives its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Commission has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The following tables present the reconciliation between the current year appropriations used, the net cost of operations and the net cash provided by the Government:

(a) Reconciliation of net cost of operations to current year appropriations used:

(in dollars)	2007	2006
Net Cost of Operations	**23,716,302**	25,876,915
Items affecting net cost of operations but not affecting appropriations:		
Services received without charge from other government departments (note 9)	**(3,261,400)**	(3,404,600)
Amortization of tangible capital assets	**(103,791)**	(96,855)
Revenue not available for spending	**102,477**	4,260
Loss on write-off of tangible capital assets	**(3,300)**	–
Variation in vacation pay and compensatory leave	**178,300**	96,600
Variation in employee severance benefits	**235,000**	(262,500)
Other adjustments	**154,269**	54,019
Justice Canada fees	**–**	(8,642)
	(2,698,445)	(3,617,718)
Items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets	**103,281**	129,791
Variation in prepaid expenses	**8,065**	–
	111,346	129,791
Current year appropriation used	**21,129,203**	22,388,988

Notes to the Financial Statements (unaudited)

3. Parliamentary Appropriations (continued)

(b) Appropriations provided and used:

(in dollars)	2007	2006
Program expenditures – Vote 10	**19,776,450**	20,311,000
Statutory – Contributions to employee benefits plan	**2,340,943**	2,626,882
Proceeds from the disposal of surplus Crown assets	**4,095**	24
	22,121,488	22,937,906
Lapsed	**(988,204)**	(548,908)
	21,133,284	22,388,998
Proceeds from the disposal of surplus Crown assets available for use in the subsequent year	**(4,081)**	(10)
Current year appropriation used	**21,129,203**	22,388,988

(c) Reconciliation of net cash provided by Government to current year appropriations used:

(in dollars)	2007	2006
Net cash provided by Government	**21,910,366**	22,046,321
Revenue not available for spending	**102,477**	4,260
Change in net position in the Consolidated Revenue Fund:		
Decrease (increase) in accounts receivable	**(213,902)**	81,973
Decrease (increase) in advances – petty cash	**550**	(150)
Increase (decrease) in accounts payable and accrued liabilities	**(833,557)**	211,207
Increase in guarantee deposits accounts	**9,000**	–
Other adjustments	**154,269**	54,019
Justice Canada fees	**–**	(8,642)
	(883,640)	338,407
Current year appropriations used	**21,129,203**	22,388,988

Notes to the Financial Statements (unaudited)

4. Accounts Receivable

(in dollars)	2007	2006
Other government departments	**169,836**	52,194
External parties	**180,295**	84,035
	350,131	136,229

5. Tangible Capital Assets

Tangible capital assets (in dollars)	**Balance beginning of year**	**Acquisitions**	**Disposals / write-offs Adjustments**	**Balance end of year**
Informatics hardware	187,424	–	(32,306)	**155,118**
Informatics software	68,662	64,819	–	**133,481**
Other equipment	89,563	38,462	16,699	**144,724**
Motor vehicles	22,040	–	(22,040)	**–**
Leasehold improvements	407,153	–	–	**407,153**
	774,842	103,281	(37,647)	**840,476**

Accumulated amortization (in dollars)	**Balance beginning of year**	**Amortization**	**Disposals / write-offs Adjustments**	**Balance end of year**
Informatics hardware	111,911	13,770	(12,307)	**113,374**
Informatics software	28,902	19,408	–	**48,310**
Other equipment	53,282	12,045	–	**65,327**
Motor vehicles	20,938	1,102	(22,040)	**–**
Leasehold improvements	213,190	57,466	–	**270,656**
	428,223	103,791	(34,347)	**497,667**

Net book value (in dollars)	2007	2006
Informatics hardware	**41,744**	75,513
Informatics software	**85,171**	39,760
Other equipment	**79,397**	36,281
Motor vehicles	**–**	1,102
Leasehold improvements	**136,497**	193,963
	342,809	346,619

Amortization expense for the year ended March 31, 2007 is $103,791 ($96,855 in 2006).

Notes to the Financial Statements (unaudited)

6. Accounts Payable and Accrued Liabilities

(in dollars)	2007	2006
External parties		
Accounts payable and accrued liabilities	**756,540**	1,152,622
Accrued salaries	**319,937**	342,190
Other government departments		
Accounts payable	**288,439**	703,661
	1,364,916	2,198,473

7. Employee Future Benefits

a) Pension benefits

The Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits provide for pensions equal to 2% of the average of the five highest consecutive years' salary for each year of service to a maximum of 35 years. The benefits are integrated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Commission contribute to the cost of the Plan. In 2006–2007, the expenses amount to $2,095,144 ($2,364,194 in 2005–2006), which represents approximately 2.2 times (2.6 in 2005–2006) the contributions by employees.

The Commission's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

The Commission provides severance benefits to its employees based on eligibility, years of service and final salary. The liability for severance benefits is not funded by Parliamentary appropriations, but the benefits paid during the year are funded. The severance benefits as of March 31 are as follows:

(in dollars)	2007	2006
Liability for employee severance benefits, beginning of year	**3,280,000**	3,017,500
Expense for the year	**273,307**	375,698
Benefits paid during the year	**(508,307)**	(113,198)
Liability for employee severance benefits, end of year	**3,045,000**	3,280,000

Notes to the Financial Statements (unaudited)

8. Contractual Obligations

The nature of the Commission's activities can result in some large multi-year contracts and obligations whereby the Commission will be obligated to make future payments when the goods or services are rendered. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in dollars)	Rentals	Acquisitions of goods or services	Total
2007–2008	71,500	169,700	**241,200**
2008–2009	68,400	12,000	**80,400**
2009–2010	63,200	12,000	**75,200**
2010–2011	32,000	–	**32,000**

9. Related Party Transactions

The Commission is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, the Commission receives services without charge from other departments, which are recorded at their estimated cost in the Statement of Operations as follows:

(in dollars)	2007	2006
Accommodation provided by Public Works and Government Services Canada	**2,273,000**	2,296,100
Employer's contribution to the health and dental insurance plans and expenditures paid by Treasury Board of Canada Secretariat	**981,500**	1,102,600
Worker's compensation coverage provided by Human Resources and Social Development Canada	**5,900**	5,900
Salary and associated expenditures of legal services provided by the Department of Justice Canada	**1,000**	–
	3,261,400	3,404,600

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge.The costs of the services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Commission's Statement of Operations.

10. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

Table 8: Procurement and Contracting

Points to Address	Commission's Input
1. Role played by procurement and contracting in delivering programs	Procurement and contracting play a central role in the delivery of the Commission's human rights mandate. Procurement, in particular, allows the Commission to meet operational requirements by obtaining highly specialized professional services (i.e., consultants, legal counsel, expert witnesses) in support of its mandate.
2. Overview of how the Commission manages its contracting function	The Commission operates in a centralized environment with procurement personnel at headquarters. Its procurement authorities are outlined in the Canadian Human Rights Commission Delegations of Financial Signing Authorities document. Advice and guidance on contracting policies and procedures is provided to managers and posted on the Commission's intranet. The Commission has a Contract Review Committee with clear criteria for the review of contracts and for making recommendations to the Secretary General. All contracts, whether sole source over $10,000 or competitive over $25,000, are reviewed.
3. Progress and new initiatives enabling effective and efficient procurement practices	The Commission has made available on its intranet site detailed procurement operational policies, processes, procedures, definitions and tools. Templates have been developed for Requests for Contract, Requests for Contract Amendment and Requests for Proposal. Key accomplishments: The Commission has provided its staff with standardized and comprehensive contracting and procurement administrative tools and training to facilitate the delivery of the Commission's mandate.

Table 9: Response to Parliamentary Committees, and Audits and Evaluations for fiscal year 2006–2007

Planned Internal Audits and Evaluations	Estimated Start	Estimated Completion
Employment Equity Audit Program Evaluation Study	2006	2008
Management Audit of Corporate Services	2006	2007

Notes of Explanation:

The evaluation study of the Employment Equity Audit Program was not initiated as planned during the reporting period because the program was undergoing measures to improve and streamline the employment equity audit process.

The management audit of Corporate Services was not initiated as planned during the reporting period. An audit of travel and hospitality was conducted as part of a government-wide audit of small agencies. A new government-wide internal audit policy took effect in 2006 and, as a result, the Commission is currently examining its options as a small agency for ensuring adequate internal audit coverage.

OTHER ITEMS OF INTEREST

Corporate Management

Corporate management encompasses services provided in all aspects of the Commission's administration. This includes secretariat support services, finance and administration, human resources, learning and professional development, planning, audit and evaluation, information management, information technology, and communications.

Initiatives with Significant Impact on Overall Commission Performance

In 2006–2007, the Commission continued to demonstrate its commitment to sound management practices outlined in the government-wide management agenda referred to as the Management Accountability Framework (MAF). During the period under review, the Treasury Board Secretariat (TBS) conducted its first assessment of the Commission's MAF. The Commission was commended for the quality of its management in a number of areas including its values-based leadership and organizational culture; the extent to which its workplace is fair, enabling, healthy and safe; and the extent to which its workforce is productive, principled, sustainable and adaptable. During the current fiscal year, the Commission will focus on the management improvement priorities identified by TBS.

Specific priorities identified in the 2006–2007 RPP for the period under review pertain to the 10 key areas of the MAF:

Public Service Values

In the recent TBS assessment of the Commission's MAF, the Commission was commended for achieving a strong performance in addressing professional, ethical and people values. During the reporting period, the Commission provided guidance, advice and encouragement on an ongoing basis to employees of all levels on matters related to the Government of Canada's Values and Ethics Code. The four categories of values in the Code were promoted in day-to-day conversations with employees and in formal discussions and reports related to learning activities and professional development.

Governance and Strategic Direction

During the reporting period, the Commission continued to strengthen its accountability framework by reviewing and redesigning its governance structure. Early in 2007, the Commission developed a strategic framework in alignment with its vision and strategic outcome. This framework identifies key strategic areas for the period 2007–2010 and key outcomes to be achieved by 2010.

In 2006–2007, the Commission revised its Program Activity Architecture (PAA) to more clearly reflect its mandate and define its strategic outcome and program activities. During the current fiscal year, the Commission will focus on improving the analysis of performance information at the strategic outcome and program activity level by developing a performance measurement framework.

Results and Performance

The CHRC generates regular reports on financial and non-financial data to assess the relative value of its program initiatives. Senior executives review the financial situation report monthly as well as a "dashboard" of the Commission's operational performance for the month. During the reporting period, as a result of regular performance review, the Commission was able to shift $1 million within program business lines to reflect evolving priorities such as the creation of the Knowledge Centre and enhancement of the Discrimination Prevention Program.

The recent TBS assessment of the Commission's MAF found that attention is required (as it is with all government departments and agencies) to ensure that the Commission establishes a program evaluation capacity to meet the requirements of a new government-wide evaluation policy expected to take effect by 2008.

Policy and Programs

During the reporting period, the Commission strengthened its research, policy and analytical capacity to ensure high-quality advice to Commissioners, stakeholders and the Canadian public. This was done through the organizational restructuring exercise, which resulted in the creation of a Knowledge Centre. The 2006–2007 fiscal year was the first full year of operations for the Knowledge Centre, during which its mandate was implemented.

People

In 2006–2007, the Commission improved its integration of human resources planning with business planning through an in-depth brainstorming exercise and by seeking input from all employees. The Commission continues to implement the new *Public Service Modernization Act* (PSMA) through various activities, including collective staffing processes, assessment of candidates in staffing processes, developing new templates to facilitate staffing processes and ongoing training of managers and human resources advisors. Much effort was put into continuing the activities related to performance management. During the reporting period, career counselling and learning services were offered to employees at all levels to help them develop their plans and an approach to career management that would serve them personally, professionally and organizationally.

Citizen-Focused Service

In 2006–2007, the Commission continued to develop and revise its policies, programs and service standards, based on consultations with its internal and external stakeholders and in accordance with provisions of the new PSMA.

The Commission continues to invest in its electronic business applications, which will eventually enhance reporting and online service for Canadians. In 2007–2008, the Commission will develop a new Case and Audit Management System (CAMS) that will: 1) bring the current Case Management System and Employment Equity Audit Tracking System into a web-based format, which will be accessible to screen reader tools, such as JAWS, and will also reduce considerably the cost of implementing secure remote access to the applications; 2) implement workflow functionality to leverage technology to capture work efficiencies; and 3) develop links with the Commission's Records Documentation and Information Management System to undertake all document requests coming from CAMS. To avoid future costs and to be compliant with the Management of Information Technology Security (MITS) standard of the TBS, CAMS will be developed based on the MITS security principles.

Risk Management

The Commission completed its risk management policy and integrated risk management framework in 2006–2007. Awareness training and risk management tools were provided to managers. Accountability accords, business plans and human resources plans include risk assessment with mitigation.

Stewardship

During the reporting period, the Commission ensured that the financial management control regime principles were clear and understandable. Internal controls, that take into account materiality, public sensitivity and risk, are identified through the Commission's financial management authorities, spending limits, maintenance of accounting records and monitoring activities. Additional financial progress reports were developed and training sessions and workshops continued to be provided to staff. The Commission is compliant with its financial authorities and other delegations. All senior executives and managers validated their certification to exercise their delegated signing authorities prior to December 31, 2006, in line with the requirements stipulated in the new TBS policy.

During the recent TBS assessment of the Commission's MAF, it was noted that the Commission has improved the accuracy and timeliness of its financial reporting information. All external reports dealing with Public Accounts were submitted on time.

Accountability

In 2006–2007, the Commission revised its financial delegations to ensure that authorities are clear and appropriate. Executive accountability accords (performance agreements) were modified to ensure that essential obligations are clearly delineated. Progress on performance agreement objectives is reviewed on a quarterly basis and a comprehensive review is completed at year-end. Cascading down, performance agreements and appraisals are completed annually for all managers and staff, and individual learning plans will continue to be completed for all.

Learning, Innovation and Change Management

The Commission continued to implement the organization and government learning standards with an evolving learning strategy. Practices are in place to demonstrate the Commission's continuing commitment to the lifelong learning of its employees. All employees have individual learning plans and training objectives that are linked to business plan priorities, development of competencies and career progression.

In 2006–2007, the Commission updated its Learning Policy and components, and facilitated the integration of the new standards by encouraging the changes through many communication devices and tools. The Commission demonstrates its continued commitment to assist and provide tools and services that empower its employees to meet challenges and opportunities presented to them as public servants.

During the reporting period, the Commission demonstrated its commitment to build tools and processes to facilitate engagement at all levels and strengthen its capacity in measuring and evaluating organizational learning investments.